



# House of Representatives

General Assembly

**File No. 355**

January Session, 2017

House Bill No. 7104

*House of Representatives, April 3, 2017*

The Committee on Energy and Technology reported through REP. REED of the 102nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING RENEWABLE PORTFOLIO STANDARD COMPLIANCE REQUIREMENTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-245a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2017*):

3 (a) An electric supplier and an electric distribution company  
4 providing standard service or supplier of last resort service, pursuant  
5 to section 16-244c, shall demonstrate:

6 (1) On and after January 1, 2006, that not less than two per cent of  
7 the total output or services of any such supplier or distribution  
8 company shall be generated from Class I renewable energy sources  
9 and an additional three per cent of the total output or services shall be  
10 from Class I or Class II renewable energy sources;

11 (2) On and after January 1, 2007, not less than three and one-half per  
12 cent of the total output or services of any such supplier or distribution

13 company shall be generated from Class I renewable energy sources  
14 and an additional three per cent of the total output or services shall be  
15 from Class I or Class II renewable energy sources;

16 (3) On and after January 1, 2008, not less than five per cent of the  
17 total output or services of any such supplier or distribution company  
18 shall be generated from Class I renewable energy sources and an  
19 additional three per cent of the total output or services shall be from  
20 Class I or Class II renewable energy sources;

21 (4) On and after January 1, 2009, not less than six per cent of the  
22 total output or services of any such supplier or distribution company  
23 shall be generated from Class I renewable energy sources and an  
24 additional three per cent of the total output or services shall be from  
25 Class I or Class II renewable energy sources;

26 (5) On and after January 1, 2010, not less than seven per cent of the  
27 total output or services of any such supplier or distribution company  
28 shall be generated from Class I renewable energy sources and an  
29 additional three per cent of the total output or services shall be from  
30 Class I or Class II renewable energy sources;

31 (6) On and after January 1, 2011, not less than eight per cent of the  
32 total output or services of any such supplier or distribution company  
33 shall be generated from Class I renewable energy sources and an  
34 additional three per cent of the total output or services shall be from  
35 Class I or Class II renewable energy sources;

36 (7) On and after January 1, 2012, not less than nine per cent of the  
37 total output or services of any such supplier or distribution company  
38 shall be generated from Class I renewable energy sources and an  
39 additional three per cent of the total output or services shall be from  
40 Class I or Class II renewable energy sources;

41 (8) On and after January 1, 2013, not less than ten per cent of the  
42 total output or services of any such supplier or distribution company  
43 shall be generated from Class I renewable energy sources and an

44 additional three per cent of the total output or services shall be from  
45 Class I or Class II renewable energy sources;

46 (9) On and after January 1, 2014, not less than eleven per cent of the  
47 total output or services of any such supplier or distribution company  
48 shall be generated from Class I renewable energy sources and an  
49 additional three per cent of the total output or services shall be from  
50 Class I or Class II renewable energy sources;

51 (10) On and after January 1, 2015, not less than twelve and one-half  
52 per cent of the total output or services of any such supplier or  
53 distribution company shall be generated from Class I renewable  
54 energy sources and an additional three per cent of the total output or  
55 services shall be from Class I or Class II renewable energy sources;

56 (11) On and after January 1, 2016, not less than fourteen per cent of  
57 the total output or services of any such supplier or distribution  
58 company shall be generated from Class I renewable energy sources  
59 and an additional three per cent of the total output or services shall be  
60 from Class I or Class II renewable energy sources;

61 (12) On and after January 1, 2017, not less than fifteen and one-half  
62 per cent of the total output or services of any such supplier or  
63 distribution company shall be generated from Class I renewable  
64 energy sources and an additional three per cent of the total output or  
65 services shall be from Class I or Class II renewable energy sources;

66 (13) On and after January 1, 2018, not less than seventeen per cent of  
67 the total output or services of any such supplier or distribution  
68 company shall be generated from Class I renewable energy sources  
69 and an additional three per cent of the total output or services shall be  
70 from Class I or Class II renewable energy sources;

71 (14) On and after January 1, 2019, not less than nineteen and one-  
72 half per cent of the total output or services of any such supplier or  
73 distribution company shall be generated from Class I renewable  
74 energy sources and an additional three per cent of the total output or

75 services shall be from Class I or Class II renewable energy sources;

76 (15) On and after January 1, 2020, not less than twenty per cent of  
77 the total output or services of any such supplier or distribution  
78 company shall be generated from Class I renewable energy sources  
79 and an additional three per cent of the total output or services shall be  
80 from Class I or Class II renewable energy sources.

81 (b) An electric supplier or electric distribution company may satisfy  
82 the requirements of this section (1) by purchasing certificates issued by  
83 the New England Power Pool Generation Information System,  
84 provided the certificates are for (A) energy produced by a generating  
85 unit using Class I or Class II renewable energy sources and the  
86 generating unit is located in the jurisdiction of the regional  
87 independent system operator, or (B) energy imported into the control  
88 area of the regional independent system operator pursuant to New  
89 England Power Pool Generation Information System Rule 2.7(c), as in  
90 effect on January 1, 2006; (2) for those renewable energy certificates  
91 under contract to serve end use customers in the state on or before  
92 October 1, 2006, by participating in a renewable energy trading  
93 program within said jurisdictions as approved by the Public Utilities  
94 Regulatory Authority; or (3) by purchasing eligible renewable  
95 electricity and associated attributes from residential customers who are  
96 net producers.

97 (c) Any supplier who provides electric generation services solely  
98 from a Class II renewable energy source shall not be required to  
99 comply with the provisions of this section.

100 (d) An electric supplier or an electric distribution company shall  
101 base its demonstration of generation sources, as required under  
102 subsection (a) of this section on historical data, which may consist of  
103 data filed with the regional independent system operator.

104 [(e) (1) A supplier or an electric distribution company may make up  
105 any deficiency within its renewable energy portfolio within the first  
106 three months of the succeeding calendar year or as otherwise provided

107 by generation information system operating rules approved by New  
108 England Power Pool or its successor to meet the generation source  
109 requirements of subsection (a) of this section for the previous year.

110 (2) No such supplier or electric distribution company shall receive  
111 credit for the current calendar year for generation from Class I or Class  
112 II renewable energy sources pursuant to this section where such  
113 supplier or distribution company receives credit for the preceding  
114 calendar year pursuant to subdivision (1) of this subsection.]

115 [(f)] (e) The authority shall adopt regulations, in accordance with the  
116 provisions of chapter 54, to implement the provisions of this section.

117 [(g)] (f) Notwithstanding the provisions of this section and section  
118 16-244c, for periods beginning on and after January 1, 2008, each  
119 electric distribution company may procure renewable energy  
120 certificates from Class I, Class II and Class III renewable energy  
121 sources through long-term contracting mechanisms. The electric  
122 distribution companies may enter into long-term contracts for not  
123 more than fifteen years to procure such renewable energy certificates.  
124 The electric distribution companies shall use any renewable energy  
125 certificates obtained pursuant to this section to meet their standard  
126 service and supplier of last resort renewable portfolio standard  
127 requirements.

128 [(h)] (g) On or before January 1, 2014, the Commissioner of Energy  
129 and Environmental Protection shall, in developing or modifying an  
130 Integrated Resources Plan in accordance with sections 16a-3a and 16a-  
131 3e, establish a schedule to commence on January 1, 2015, for assigning  
132 a gradually reduced renewable energy credit value to all biomass or  
133 landfill methane gas facilities that qualify as a Class I renewable  
134 energy source pursuant to section 16-1, provided this subsection shall  
135 not apply to anaerobic digestion or other biogas facilities, and further  
136 provided any reduced renewable energy credit value established  
137 pursuant to this section shall not apply to any biomass or landfill  
138 methane gas facility that has entered into a power purchase agreement  
139 (1) with an electric supplier or electric distribution company in the

140 state of Connecticut on or before June 5, 2013, or (2) executed in  
141 accordance with section 16a-3f or 16a-3h. The Commissioner of Energy  
142 and Environmental Protection may review the schedule established  
143 pursuant to this subsection in preparation of each subsequent  
144 Integrated Resources Plan developed pursuant to section 16a-3a and  
145 make any necessary changes thereto to ensure that the rate of  
146 reductions in renewable energy credit value for biomass or landfill  
147 methane gas facilities is appropriate given the availability of other  
148 Class I renewable energy sources.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2017	16-245a

**ET**            *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill removes a provision allowing companies to make up a deficiency in meeting their renewable portfolio standard (RPS) and makes a conforming change.

This does not result in a fiscal impact to ratepayers, including the state and municipalities.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****HB-7104****AN ACT CONCERNING RENEWABLE PORTFOLIO STANDARD COMPLIANCE REQUIREMENTS.****SUMMARY**

By law, the state's renewable portfolio standard (RPS) requires electric distribution companies (e.g., Eversource and United Illuminating) and electric suppliers to demonstrate that a certain percentage of their energy each year comes from renewable resources. This bill removes a provision allowing companies to make up a deficiency in meeting the RPS in the first three months of the following calendar year, or otherwise as specified under New England Power Pool rules. It also makes a conforming change.

EFFECTIVE DATE: July 1, 2017

**BACKGROUND*****Related Bill***

sSB 106, reported favorably by the Energy and Technology Committee, extends the RPS through 2040 with increasing percentages required each year.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable

Yea 24 Nay 0 (03/16/2017)